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An agency management program

[Washington]

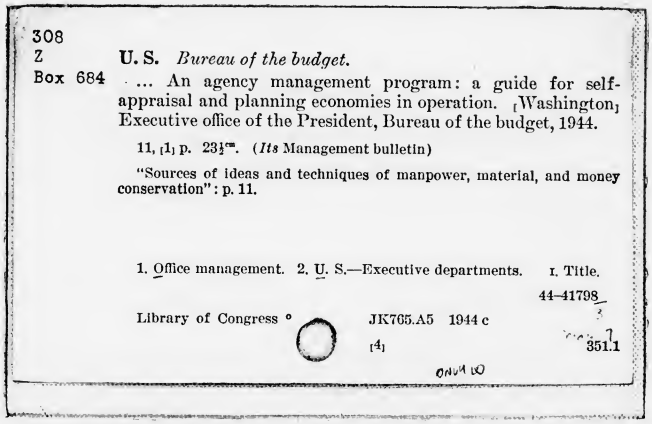
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MANAGEMENT BULLETIN

An Agency Management Program: A guide for self-appraisal and planning economies in operation

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EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET ■ MARCH 1944

★THE URGENT NECESSITY for carrying on the work of the Federal Government with the smallest possible expenditure of manpower, money, and materials is obvious to everyone. The President has stated this necessity in the following language:

> *"The Federal Government must concentrate on one task—the winning of the war. At this time we must measure all Government activities against the grim standards of total war. Many activities, desirable in peacetimes, must be eliminated, provided only that such eliminations do not result in permanent harm to the future health and security of our individual citizens; many services must be provided at a reduced standard; all agencies—military and civilian—must take all necessary measures to organize their work for maximum efficiency . . ."*

Much has been done to eliminate nonwar activities and to prosecute war activities as economically as possible. There remain, however, opportunities for tightening up operations, reducing margins of safety, and simplifying methods. We must leave no such opportunity unexploited.

These opportunities for effecting economy may best be realized through improvement of *management*. The Bureau of the Budget has prepared this outline to assist each agency in a self-appraisal of its management effectiveness. We hope that each agency head will read through the outline, and that he will find in it at least one idea he can use in improving the management of his agency.

No formal reports to the Bureau of the Budget on the results of the self-appraisal are considered necessary. Rather it is expected that management improvements will be reflected in the quarterly requests for personnel "ceilings" and in budget estimates hereafter submitted to the Bureau.

In order to inform all agencies of especially good management devices developed by particular agencies, we plan to circulate from time to time additional Management Bulletins. We solicit the aid of each agency in gathering material for these bulletins. Especially do we solicit your continued cooperation in making the management of the Federal establishment sound and efficient.

HAROLD D. SMITH,
Director of the Bureau of the Budget.

What's Our Attitude Toward Management?

NOTES FOR ACTION

1. Did we take specific steps to implement the President's policy concerning the improvement of management, announced in his letter of December 22, 1942, and his Budget Message of January 10, 1944? What have we done to support his program?

2. Have we reduced the over-all job of our agency to a concise statement of objectives that is understandable to everyone?

3. Have we agreed upon the paths we are going to follow in obtaining our objectives and reduced these, also, to a clear "road-map" and "time-table" for everyone to follow?

4. Have we formally announced a policy of aggressive, persistent efforts to find better, more effective, and less expensive ways of doing our agency's job?

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5. Are we certain that our objectives, our "road-map" and "time-table," and our management improvement policy have been made known, even to the smallest organization units? What checks have we made to be sure of this?

6. Do we keep bureau chiefs, division heads, and regional directors constantly aware that we seriously mean to improve management? Do we:

a. Make improvement of management the primary subject of staff conferences?
b. Send supervisors periodic communications about management problems?
c. Publicly commend those who have made significant progress?
d. Single out for individual attention those who are backward or complacent?

7. Does the head of our agency personally handle management matters, or is he primarily concerned with program? If so, has he delegated full management authority to his deputy?

8. Is *anybody* topside in the agency primarily concerned with management? Has he authority to act? Does he?

9. When was the last time that the head of our agency saw the budget officer? The personnel officer? The organization-and methods officer?

10. Can these staff aides see the chief, or somebody really empowered to act, when they need to?

11. Does the staff act finally, in the chief's name, on matters covered by a policy that has been adopted by him, and thoroughly prepare for his decisions those that haven't? Or is it just a collection of "housekeeping" units that process papers?

12. Does anybody know the reason for each of the motions we go through? Is it a good reason?

13. Does anybody know why each form we use is indispensable? That we must have the exact number of copies now prepared? Whether it costs more to prepare than it saves through its use? Whether it can be combined with one or more other forms? What would be the consequences of junking it?

14. In short, do we have an imaginative, spirited attitude toward getting the job done in the easiest, cheapest way? Or, honestly, can we be fairly charged with being sunk in "bureaucratic" ineptitude?

Are All of Our Activities Essential?

15. What specific steps have we taken to comply with the President's directive to discontinue all work not directly valuable to the prosecution of the war, or essential to the health and security of the people?

16. What activities have we dropped since the President issued his directive? Is our work load now appreciably smaller? Or larger? Have we rationalized a heavier work load as "vital to the war effort"?

17. Do we really distinguish between activities that are *essential,* and those that from our point of view are highly desirable? Are we brutally honest in the evaluation of our own programs? Do we require subordinate officials to prove that their activities *must* be continued?

18. How would we rearrange our activities if our available money were cut 10 percent? Or 25 percent? Could we continue to operate in either case?

19. How do we effect reductions in program? By agency head mandate? Through the budget office? By negotiated agreement with subordinate officials?

20. Have we aggressively sought changes in legislation or Executive orders to enable us to drop unnecessary but presently required activities?

21. Has anyone recently questioned the indispensability of every periodic report we prepare? And of every publication we issue?

22. Are we still performing activities that seemed necessary only because we expected the enemy to bring the war to our shores and to the skies over our cities?

23. Are we measuring the manpower and money cost of recording, checking, and auditing operations against the losses that might occur if we eliminated the operations?

24. Are we saving manpower by deliberately taking calculated risks? Have we substituted "spot" control for detailed control every place where we can safely do so?

Are We Well Organized?

25. Have we built an organization structure by analyzing work requirements at the lowest operating level, and then establishing successive levels only in such number and size as are required for effective supervision at each higher level? Or did we develop our organization plan by providing the agency head with the number and kind of assistants he thought he needed, and successively repeating the process as we moved downward to the point where the actual work has to be done?

26. Have the idiosyncrasies of prima donnas in the agency dictated the kind of organization we have? If so, has it been worth the price?

27. How well does our organization structure meet commonly accepted criteria? Are activities really well grouped? Is the load fairly evenly distributed? Is there a straight-line flow of authority and responsibility? Do officials have to supervise too many units? Is there a minimum of duplication? Are responsibilities clearly assigned?

28. Have we a written statement of our objectives, our organization, our policies, and our principal procedures for the guidance of old and new employees alike? Do we keep it up to date?

29. Do subordinates feel free to establish direct contact with subordinates of other branches, merely keeping their superiors generally advised? Or do we insist that matters go up, across, down, back up, across again, and finally back down to the starting point?

30. Are all units in a field office under a single head, or have our functional specialists succeeded in establishing a number of parallel organizations that tie together only at headquarters?

31. Have we assigned to the field all operations and authority that can be assigned without losing over-all control of performance?

32. Does our headquarters organization engage only in the work required for effective supervision and control, or have we unnecessarily duplicated at headquarters the kinds of jobs being carried on in the field?

33. Must field offices habitually carry excess personnel, so as to be able to comply with unanticipated headquarter's directives or requests for voluminous information? Or are field offices consulted in advance about the practicability of proposed changes?

34. Who is responsible for detecting symptoms of bad organization and initiating remedies? Who do we assign to look into administrative breakdowns and cases of alleged inefficiency? Do we act quickly in such cases, or do we defend the status quo?

35. Has anyone actually traced out on paper the path through our organization of each principal item of business? Do we distinguish between routing of matter for informational purposes and routing for desirable review and approvals? When did we last count the sets of initials on the "hold-back" copy?

36. Is the budget office expected to insist on effective management? Does it review programs, demand unit costs and other measures of performance, and press for elimination of waste? Is the budget officer primarily a good manager or just a good bookkeeper?

37. Does the personnel office handle employment and change of status papers quickly and effectively? Does it confine itself to this job? Or does it provide an aggressive personnel service? What has it done about training? Placement? Employee welfare? Credit unions? Do its classification studies cast up opportunities for improvement in organization or of work methods? Is it expert in devices for securing maximum utilization of employees' skills?

38. Does any staff unit have responsibility for continually reexamining our organization structure and work methods? Does it frequently initiate action to improve procedures? Does it follow through on the actual installation of recommended improvements?

39. Do we have a chief assistant to the agency head who can and does act finally for him on all but the most important policy questions? And does each head of an important subdivision similarly make full use of an administrative deputy?

40. Is anyone especially alarmed when executives act at cross purposes, or are too busy to see their subordinates, or spend too much time with their subordinates, or insist on personally acting upon minor matters?

What Have We Done To Conserve Men, Money, and Materials?

41. Is our paper consumption now smaller or larger than last year? Do we require central review and approval of new and old forms? Must each additional copy be strongly justified?

42. Must there be central approval before any recurring report, however minor, can be required? Has anyone questioned skeptically the present need for reports now in use?

43. Who is required to approve the starting or continuation of a publication? Do we question the indispensability of the publication, the weight and quality of the paper stock, the economy of format, the number of colors of ink, and the kind of binding?

44. Do we have control over large mimeographing or other duplication runs? Over the indiscriminate use of drafting time? Over the taking and printing of photographs?

45. Have we established an optimum ratio of clerical to professional employees? Have we insisted that where possible secretaries serve two or more principals? Are we making maximum use of dictating machines? Of typing pools? Of brief handwritten memos when they will serve adequately? Have we instructed dictators in ways to avoid the necessity of retyping?

46. Have we made serious, sustained efforts to "level pressure" in large scale operations so that the need for standby help to meet peak loads will be minimized and each person be kept working to capacity?

47. Are subordinate units permitted to define their responsibilities and issue circular instructions without central approval? Is there central review and approval of instructions to the field? Including circular telegrams?

48. Have we cut our communications facilities to the bone? Have we insisted on the sharing of telephone instruments? Have we eliminated unnecessary intercommunication systems? Have we developed codes and strict time schedules for our teletype network? Do we exercise strict control over the use of the long distance telephone? Do minor officials place their own calls, and answer their own telephones? Do they refuse to accept calls while "in conference" with one or two co-workers?

49. Have we analyzed our regional organization and location of field offices from the standpoint of travel cost? How many days out of the year are our field people on per diem status? How much cross-traveling is there? Is there periodic central review of individual travel records?

50. Do we provide for systematic analysis of work methods as a continuing activity? Do we understand and use such devices as process charting and flow charting? On what operations and procedures have we used these devices this past year? What were our savings?

51. Do we analyze and compare the performance, production, and cost of organizational units or employees doing comparable work? What did we do about high cost units?

52. Have we enlisted employee help in improving management? Do we recognize and reward employee contributions? Have we an employee suggestion system? Have we used the Job Methods Training program? Are "meritorious" promotions given on merit?

53. What have we done to make sure that the time and skills of our present employees are fully utilized? Did we seize upon the Civil Service Commission's check list for evaluating employee utilization and immediately apply it to our own situation?

54. Does our procurement unit screen requisitions for nonstandard items or does it just buy anything that a unit requisitions? Does it forecast needs and pool requisitions? Do we secure comparative reports from the procurement unit on the consumption by using units? Does it locate and utilize existing surpluses before buying new commodities?

55. Do our management people keep in touch with the activities of their counterparts in other Federal agencies and in industry? Are they always familiar with the latest developments in management practice? Are they known for their high standing as efficient Federal civil servants?

Sources of Ideas and Techniques of Manpower, Material, and Money Conservation

A limited number of additional copies of this Management Bulletin may be secured from the Bureau of the Budget for use within Federal Agencies. Copies for use elsewhere may be purchased from the Superintendent of Documents, Washington, D. C.

Listed below are various documents that agency officers will find useful.

U. S. Civil Service Commission. Better Use of Personnel. An outline and check list for evaluating Federal agency employee utilization programs. Form 4462, January 1944. (For sale by Superintendent of Documents, Washington, D. C.)

——— and *Office of Price Administration.* War-izing Correspondence. (Copies can be obtained from Reference Service, Federal Work Improvement Program, U. S. Civil Service Commission, Washington, D. C.)

U. S. War Production Board. Questionnaire Manual, 1943. (Copies can be obtained from Office of Survey Standards, Bureau of Planning and Statistics, W. P. B., Washington, D. C.)

——— Principles of Design and Standardization of Forms. July 1943. (Copies can be obtained from Printing and Distribution Control Branch, W. P. B., Washington, D. C.)

Navy Department. Navy Management Program, SECNAV P–10, 1943. (For sale by Superintendent of Documents, Washington, D. C.)

Princeton University, Industrial Relations Section, Department of Economics and Social Institutions, Princeton, N. J. Maximum Utilization of Employed Manpower. A check list of company practice. (Copies can be obtained from Princeton University.)

Public Administration Service, Chicago. The Work Unit in Federal Administration. Publication No. 56, price 75 cents. (Copies for sale by Public Administration Service, 1313 East 60th Street, Chicago, Ill.)

Army Service Forces. Manual for Control Officers, Vol. 3, Work Simplification. (Copies of this and other A. S. F. publications listed below can be obtained from Control Division Headquarters, A. S. F., Washington, D. C.)

——— Work Load Studies for Use in Personnel Strength Control.

——— Control Manual, Supplement I, Techniques of Control, October 1943.

——— Control Manual, M703–4, Work Simplification (Material Handling), October 30, 1943.

U. S. GOVERNMENT PRINTING OFFICE: 1944

FROM THE PRESIDENT'S BUDGET MESSAGE OF JANUARY 10, 1944

"MORE than a year ago I notified the heads of all departments and agencies that I expected them to eliminate every nonvital service, to seize every opportunity for improving the speed and efficiency of operations, and to conserve manpower, materials, and money. Each of these officials is now being asked to take stock of what his agency has accomplished and to continue aggressive efforts for improvement in the management and economical functioning of his organization."

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